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**From:** McKinney, William C [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CD94A539C483494CA61EDE1D9BCF9AC1-WCMCKINNEY1]  
**Sent:** 11/21/2017 1:24:25 PM  
**To:** Tarr, Jeremy M [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=98859532088e4437968231eb6fef6b70-jmtarr1]  
**CC:** Epstein, Charles A [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=9c894ea5967442088690ee45f421ae77-caepstein]; Magarira, Munashe [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=983206bb32ab4f62aadb38bd362b578f-mmagarira]  
**Subject:** Re: [External] Atlantic Coast Pipeline - a few items of interest

Thank you for highlighting, Jeremy.

Kind regards,

Wcm

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**From:** Tarr, Jeremy M  
**Sent:** Tuesday, November 21, 2017 10:55:35 AM  
**To:** McKinney, William C  
**Cc:** Epstein, Charles A; Magarira, Munashe  
**Subject:** RE: [External] Atlantic Coast Pipeline - a few items of interest

BTW, the 14% return on equity mentioned in bullet 1 below does not flow to rate payers of DEC, DEP, PSNC, or PNG, as those entities have negotiated a separate transmission rate with ACP, LLC. The 14% is the max transmission tariff that ACP can charge to new takers, beyond the 4 entities mentioned above. Bullet 1 suggests the 14% could apply to all Duke and Dominion customers.

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**From:** McKinney, William C  
**Sent:** Monday, November 20, 2017 10:07 PM  
**To:** Tarr, Jeremy M <[jeremy.tarr@nc.gov](mailto:jeremy.tarr@nc.gov)>  
**Cc:** Epstein, Charles A <[charles.epstein@nc.gov](mailto:charles.epstein@nc.gov)>; Magarira, Munashe <[Munashe.Magarira@nc.gov](mailto:Munashe.Magarira@nc.gov)>  
**Subject:** FW: [External] Atlantic Coast Pipeline - a few items of interest

Hey Jeremy,

You may already be in possession of the below, but wanted to flag for you just in case.

Kind regards,

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**From:** Cassie Gavin [<mailto:cassie.gavin@sierraclub.org>]  
**Sent:** Monday, November 20, 2017 2:53 PM  
**To:** McKinney, William C <[William.McKinney@nc.gov](mailto:William.McKinney@nc.gov)>  
**Subject:** [External] Atlantic Coast Pipeline - a few items of interest

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Good afternoon,

Below and attached are a few documents and news having to do with the Atlantic Coast Pipeline that I think may be of interest to you.

- Last week the NC Utilities Commission filed a rehearing request (attached) with the Federal Energy Regulatory Commission (FERC) for the Atlantic Coast Pipeline last week because the NCUC doesn't support the 14% return on equity that Duke and Dominion energy would get for building it. A relevant quote: "[T]he Certificate Order accepted ACP's proposed 14 percent ROE over the NCUC's arguments that that ROE was unsupported as applied to ACP. It also failed to address the NCUC's argument that, because FERC relies on the existence of just and reasonable tariff rates to provide the necessary check on a pipeline's market power when entering into negotiated rate agreements, that check will not exist if the recourse rates are overstated during that negotiation process."
- Also attached is a new Sierra Club report "Art of the Self-Deal: How Regulatory Failure Lets Gas Pipeline Companies Fabricate Need and Fleece Ratepayers" which is about the economics of a number of pipelines including the ACP. Link to report: [http://priceofoil.org/content/uploads/2017/09/Gas\\_Pipeline\\_Ratepayer\\_Report.pdf](http://priceofoil.org/content/uploads/2017/09/Gas_Pipeline_Ratepayer_Report.pdf)
- And see this Washington Post article regarding the news that the ACP may be extended to SC and the possible exporting angle: [https://www.washingtonpost.com/blogs/all-opinions-are-local/wp/2017/10/09/is-dominion-already-planning-a-pipeline-expansion/?utm\\_term=.b3d690f194ed](https://www.washingtonpost.com/blogs/all-opinions-are-local/wp/2017/10/09/is-dominion-already-planning-a-pipeline-expansion/?utm_term=.b3d690f194ed)
- Regarding LNG exporting in general - Sierra Club's good (but somewhat dated) report on this: "Look Before the LNG Leap" - is attached and available here: [https://content.sierraclub.org/creative-archive/sites/content.sierraclub.org/creative-archive/files/pdfs/100\\_237\\_LookBeforeLeap\\_LNG\\_whtpaper\\_03\\_web.pdf](https://content.sierraclub.org/creative-archive/sites/content.sierraclub.org/creative-archive/files/pdfs/100_237_LookBeforeLeap_LNG_whtpaper_03_web.pdf)

Thanks for taking a look

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Sierra Club - NC Chapter  
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